



## QUESTIONS FOR REVENUE SERVICES COMMISSIONER NOMINEE

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### **REVENUE SERVICES COMMISSIONER ([CGS §§ 12-2](#), [12-2D](#), [12-3](#), [12-7A](#), [12-7B](#), [12-7C](#), AND [12-34C](#))**

The commissioner may (1) adopt regulations and issue administrative pronouncements interpreting state tax laws, (2) make agreements with other states concerning reciprocal enforcement of tax laws, (3) negotiate agreements to collect municipal fees and taxes on behalf of municipalities, and (4) waive tax penalties and interest charges under certain circumstances. The commissioner must (1) maintain lists of delinquent taxpayers, (2) report certain tax data to the Office of Fiscal Analysis, and (3) report to the legislature on the overall incidence of certain taxes.

### **QUESTIONS FOR NOMINEE**

1. What are the biggest challenges you have faced in your tenure as the Department of Revenue Services (DRS) commissioner? What do you see as your major accomplishments?
2. How would you characterize DRS' relationship with the state's business community? Are there steps the department can take to improve its administrative processes and make it easier for businesses to comply with the state's tax laws?
3. The FY 15 budget includes a revenue gain of \$75 million from a DRS enhanced revenue collections initiative. What is the status of this initiative? Has DRS developed new strategies to identify delinquent taxpayers and resolve tax debts?
4. Since the legislature enacted the "Amazon tax" law in 2011, has DRS collected any sales tax revenue from online retailers who have no physical presence in Connecticut? How is DRS enforcing compliance with the law?

5. Connecticut taxes in-store sales of books, movies, and music at 6.35%, but taxes digital versions of these same goods at 1%. As the distinction between real and virtual goods blurs, do you think the state should reexamine how it taxes digital goods and services?
6. What is the status of the refund debit card program? What steps has DRS taken to ensure taxpayer information is kept secure?
7. Many legislators are interested in evaluating the effectiveness of economic development tax incentives provided to businesses, but DRS is legally prohibited from identifying the businesses that receive them. Do you have any suggestions for resolving this conflict?
8. Given the pressure for property tax relief and holding the line on municipal aid, the legislature may again consider bills (1) allowing municipalities and regions to levy sales and income taxes or (2) requiring the state to return a portion of the revenue it collects to these jurisdictions. What kind of administrative issues do these options pose? What kind of changes would they require in the way businesses collect and remit these taxes?
9. What percentage of taxpayers report use tax liabilities on their personal income tax returns? Do you have any recommendations on ways in which DRS can maximize use tax collections?
10. As you know, pass-through entities do not pay corporate taxes and thus cannot claim corporation and other business tax credits. But the individuals participating in these entities pay personal income taxes against the income they derive from the entities. Do you think the legislature should extend the economic development credits to personal income taxes?

RP:tjo